

ORDINANCE NO. 12-60

ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$45,000,000 FROM THE FLORIDA MUNICIPAL LOAN COUNCIL TO REFUND A PRIOR LOAN IN THE AMOUNT OF \$50,000,000 AND FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN CAPITAL PROJECTS; APPROVING THE FORM OF AND THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE FLORIDA MUNICIPAL LOAN COUNCIL; APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE MAKING OF SUCH LOAN; PROVIDING PENALTIES FOR VIOLATION HEREOF; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, participating governmental units ("Members") have created the Florida Municipal Loan Council ("Council") pursuant to a certain Interlocal Agreement and pursuant to Chapter 163, Part 1, Florida Statutes, for the purpose of issuing its bonds to make loans to participating governmental units for qualified projects; and

WHEREAS, the City of Hialeah, Florida ("Borrower"), a municipal corporation, is duly created and existing pursuant to the Florida Constitution and by virtue of the laws of the State of Florida ("State"); and

WHEREAS, the Borrower has determined that it is necessary and desirable and in the best interest of the inhabitants of the Borrower to refinance the loan previously undertaken from the Council by the Borrower dated as of May 1, 2003 (the "2003A Loan") in order to achieve debt service savings; and

WHEREAS, the Borrower has determined that it is necessary and desirable and in the best interest of the inhabitants of the Borrower to finance the construction and acquisition of certain capital projects, including road improvements (the "Project"); and

WHEREAS, it is determined to be in the best interest of the Borrower to request the Council to issue its Florida Municipal Loan Council Refunding and Improvement

Revenue Bonds 2012A (City of Hialeah Series) (the "Bonds"), on its behalf and to borrow funds through a new financing (the "Loan") secured by a Loan Agreement between the Borrower and the Council to (i) finance the 2012 Project; and (ii) refinance the 2003A Loan; and

WHEREAS, debt service on the Loan will be secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the Borrower (the "Non-Ad Valorem Revenues"), and

WHEREAS, the Non-Ad Valorem Revenues shall be sufficient to pay all principal of and interest and prepayment premium, if any, on the Loan, as same becomes due, and to make all required deposits or payments required by this Ordinance and Loan Agreement; and

WHEREAS, the Borrower shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Loan or to make any other payments to be made under this Ordinance or the Loan Agreement. The Loan shall not constitute a lien on any property owned or situated within the geographic limits of the Borrower.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1. **Whereas Clauses.** The above whereas clauses in the preamble to this Ordinance are hereby incorporated by reference as if fully set forth herein.

Section 2. **Authority.** This Ordinance is enacted pursuant to Chapter 166, Florida Statutes, the City Charter and other applicable provision of law.

Section 3. **Refunding.** The refunding of the 2003A Loan is hereby approved.

Section 4: **2012A Project.** The financing of the acquisition and construction of the 2012A Project is hereby approved.

Section 5: **Negotiated Loan.** Due to the complicated nature of the financings and the ability of the Council to access additional markets and for the Borrower to receive the benefits of lower interest rates and issuance costs, it is hereby determined that it is in the best interest of the Borrower that the Loan to the Borrower be made from the

proceeds of the Bonds, as opposed to the Borrower borrowing funds pursuant to a public sale.

Section 6. Loan Amount. The amount of the Loan of the Borrower evidenced by the Loan Agreement shall not exceed \$45,000,000. Such Loan shall be made at a discount that shall include a pro-rata portion of costs of issuance incurred by the Borrower, the Council administrative fees and other ongoing costs and shall bear interest and shall be repayable according to the terms and conditions set forth in the Loan Agreement authorized pursuant to Section 7 hereof with such changes, insertions and omissions as may be approved by the Mayor, or his designee. The redemption provisions, if any, relating to such a Loan shall be as provided in the Loan Agreement. The Mayor is authorized to approve the final rates of interest on the Loan, and the redemption provision thereof, if any, on behalf of the Borrower.

Section 7. Delivery of Loan Agreement. The Mayor and the City Clerk or any other appropriate officers of the Borrower are hereby authorized and directed to execute and deliver a Loan Agreement to evidence the Loan and to undertake all actions in respect to the Loan Agreement, which is in substantially the form attached as Exhibit "A" with such changes, insertions and omissions as may be approved by the Mayor, the execution thereof, being conclusive evidence of such approval; provided, however, that the Mayor and the City Clerk shall not have the authority to execute and deliver the Loan Agreement, unless the Mayor and the City Clerk shall have received from the Underwriter (i) all applicable disclosure information required by Section 218.385, Florida Statutes, and (ii) such other information as the Mayor and the City Clerk shall deem necessary, upon the advice of the Office of Management and Budget Director, which

demonstrates to the Mayor and City Clerk that (A) the aggregate principal amount of the Loan is not in excess of \$45,000,000, (B) the final maturity of the Loan is not later than October 1, 2033, (C) the true interest cost rate on the Loan is not greater than 4.50%, and (D) the present value savings on the 2003 A Loan is no less than three percent (3%).

Section 8. Indenture. The Borrower hereby acknowledges and consents to the Bonds being issued pursuant to a Trust Indenture (the “Indenture”) to be executed by the Council and Deutsche Bank Trust Company Americas, as Trustee.

Section 9. Bond Purchase Contract. The form of the Bond Purchase Contract, to be entered into by and between the Underwriter, the Borrower and the Council in substantially the form attached as Exhibit “B” with such changes, insertions and omissions as may be approved by the Mayor, or his designee, the execution thereof being conclusive evidence of such approval is hereby approved.

Section 10. Continuing Disclosure Certificate. The Mayor, the City Clerk, or his or her designee or any other appropriate officers of the Borrower are authorized and directed to execute and deliver a Continuing Disclosure Certificate concerning compliance with existing or proposed rules of the Securities and Exchange Commission concerning continuing disclosure by the Borrower, to be entered into by and between the Borrower and the Florida League of Cities, Inc., in substantially the form attached as Exhibit “C” with such changes, insertions and omissions as may be approved by the officer executing such agreement, the execution thereof being conclusive evidence of such approval.

Section 11: Other Instruments. The Mayor, the City Attorney, the Office of Management and Budget Director, the City Clerk or any other appropriate officers of the

Borrower are authorized and directed to execute any and all certifications or other instruments or documents required by this Ordinance, the Loan Agreement, the Continuing Disclosure Agreement, the Bond Purchase Contract, the Indenture or any other document required by the Council as a prerequisite or precondition to making the Loan (including but not limited to the execution of all tax documents relating to the tax exempt status of the Loan), and any such representations and agreements made therein shall be deemed to be made on behalf of the Borrower. All action taken to date by the officers of the Borrower in furtherance of the issuance of the Bonds and the making of the Loan is hereby approved, confirmed and ratified.

Section 12: Penalties.

Every person violating any provision of the Code or any ordinance, rule or regulation adopted or issued in pursuance thereof shall be assessed a civil penalty not to exceed \$500.00 within the discretion of the court or administrative tribunal having jurisdiction. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. In addition to the penalty described above, the City may pursue other remedies such as abatement of nuisance, injunctive relief, administrative adjudication and revocation of licenses or permits.

Section 13: Severability Clause.

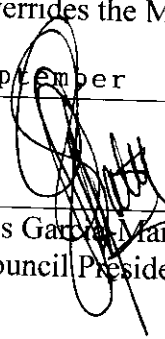
If any phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by the judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance.

Section 14: Effective Date.

This ordinance shall become effective when passed by the City Council and signed by the Mayor or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

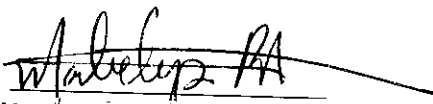
PASSED and ADOPTED this 25 day of September, 2012.

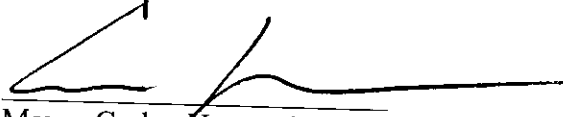
THE FOREGOING ORDINANCE
OF THE CITY OF HIALEAH WAS
PUBLISHED IN ACCORDANCE
WITH THE PROVISIONS OF
FLORIDA STATUTE 166.041
PRIOR TO FINAL READING.


Isis Garcia Martinez
Council President

Attest:

Approved on this 26 day of September, 2012.


Marbelys Rubio, Acting City Clerk


Mayor Carlos Hernandez

Approved as to form and legal sufficiency:


William M. Grodnick, City Attorney

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Ordinance was adopted by a unanimous vote with Councilmembers, Caragol, Casals-Muñoz, Cue-Fuente, Garcia-Martinez, Gonzalez, Hernandez and Lozano voting "Yes".